

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF MARCH 31, 2004

	March-04					December-03				September-03				Current FYTD	Prior Year FY03	3 Years Ended	5 Years Ended
	Market Value	Allocation	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation	Policy	Quarter Net ROR	Market Value	Allocation	Policy	Quarter Net ROR	Net	Net	6/30/2003 Net	6/30/2003 Net
LARGE CAP DOMESTIC EQUITY																	
<i>Structured Growth</i>																	
Los Angeles Capital	93,581	2.3%	2.3%	-0.34%	-1.86%	92,862	2.4%	2.3%	9.12%	85,073	2.3%	2.3%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	0	0.0%	0.0%	N/A	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.88%	-21.24%	-6.07%
Total Structured Growth	93,581	2.3%	2.3%	-0.34%	-1.86%	92,862	2.4%	2.3%	9.12%	85,073	2.3%	2.3%	4.99%	14.17%	-1.88%	-21.24%	-6.07%
Russell 1000 Growth				0.79%	-1.86%				10.41%				3.92%	15.64%	2.94%	-21.54%	-5.03%
<i>Structured Value</i>																	
LSV	92,584	2.3%	2.3%	6.22%	0.25%	93,798	2.4%	2.3%	15.66%	81,203	2.2%	2.3%	3.75%	27.46%	-2.25%	8.84%	3.73%
Russell 1000 Value				3.03%	-0.88%				14.19%				2.06%	20.08%	-1.02%	-0.19%	1.05%
<i>S&P 500 Index</i>																	
State Street	37,267			1.68%	-1.51%	420,301			12.16%	374,694			2.64%	17.05%	0.23%	-11.28%	-1.69%
Transition Account	376,598			N/A	N/A	N/A			N/A	N/A			N/A	N/A	N/A	N/A	N/A
Total Index	413,865	10.2%	10.5%	1.68%	-1.51%	420,301	10.7%	10.5%	12.16%	374,694	10.0%	10.5%	2.64%	17.05%	0.23%	-11.28%	-1.69%
S&P 500				1.69%	-1.51%				12.18%				2.64%	17.10%	0.25%	-11.20%	-1.62%
TOTAL LARGE CAP DOMESTIC EQUITY	600,031	14.8%	15.0%	2.91%	-0.45%	606,962	15.4%	15.0%	12.20%	540,970	14.5%	15.0%	3.15%	19.11%	-0.48%	-9.33%	-1.90%
S&P 500				1.69%	-1.51%				12.18%				2.64%	17.10%	0.25%	-11.20%	-1.62%
SMALL CAP DOMESTIC EQUITY																	
<i>Manager-of-Managers</i>																	
SEI	214,337	5.3%	5.0%	6.61%	1.37%	205,804	5.2%	5.0%	14.82%	179,207	4.8%	5.0%	9.48%	34.03%	0.09%	N/A	N/A
Russell 2000 + 200bp				6.78%	1.10%				15.07%				9.60%	34.67%	0.36%	N/A	N/A
Total SMALL CAP DOMESTIC EQUITY	214,337	5.3%	5.0%	6.61%	1.37%	205,804	5.2%	5.0%	14.82%	179,207	4.8%	5.0%	9.48%	34.03%	0.09%	-3.49%	1.64%
Russell 2000				6.26%	0.93%				14.52%				9.07%	32.73%	-1.63%	-3.30%	0.97%
CONVERTIBLES																	
TCW	414,944	10.2%	10.0%	2.50%	-0.48%	404,853	10.3%	10.0%	9.98%	368,085	9.8%	10.0%	1.85%	14.82%	10.23%	-9.51%	3.90%
First Boston Convertible Index				2.57%	0.44%				8.54%				2.67%	14.30%	15.46%	-3.77%	5.29%
INTERNATIONAL EQUITY																	
<i>Large Cap - Active</i>																	
Capital Guardian	341,459	8.4%	8.0%	3.50%	0.08%	328,754	8.3%	8.0%	13.03%	293,175	7.8%	8.0%	8.14%	26.51%	-10.31%	-15.85%	0.02%
MSCI EAFE - 50% Hedged				4.09%	0.33%				13.15%				6.58%	25.53%	-11.24%	-15.51%	-5.33%
<i>Small Cap - Value</i>																	
Lazard	45,866	1.1%	1.0%	8.63%	2.10%	42,104	1.1%	1.0%	14.50%	39,792	1.1%	1.0%	9.92%	36.72%	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN				12.80%	5.20%				13.31%				15.95%	48.20%	N/A	N/A	N/A
<i>Small Cap - Growth</i>																	
Vanguard	43,063	1.1%	1.0%	10.37%	2.31%	45,179	1.1%	1.0%	14.06%	38,606	1.0%	1.0%	14.95%	44.72%	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				12.80%	5.20%				13.31%				15.95%	48.20%	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	430,388	10.6%	10.0%	4.76%	0.51%	416,037	10.6%	10.0%	13.28%	371,574	9.9%	10.0%	8.97%	29.32%	-9.20%	-15.51%	0.27%
MSCI EAFE - 50% Hedged				4.09%	0.33%				13.15%				6.58%	25.53%	-11.24%	-15.51%	-5.33%
DOMESTIC FIXED INCOME																	
<i>Core Bond</i>																	
Western Asset	1,020,706	25.2%	25.0%	2.96%	0.81%	993,545	25.2%	25.0%	1.62%	973,882	26.0%	25.0%	-0.16%	4.45%	12.77%	11.23%	8.12%
Lehman Aggregate				2.66%	0.75%				0.32%				-0.14%	2.83%	10.39%	10.07%	7.54%
<i>Index</i>																	
Bank of ND	561,648	13.8%	15.0%	3.01%	0.95%	532,410	13.5%	15.0%	0.07%	532,752	14.2%	15.0%	-0.46%	2.61%	13.26%	10.87%	7.78%
Lehman Gov/Credit				3.08%	0.92%				-0.03%				-0.50%	2.54%	13.14%	10.82%	7.83%
<i>BBB Average Quality</i>																	
Strong	413,896	10.2%	10.0%	3.30%	1.02%	411,262	10.4%	10.0%	1.46%	408,258	10.9%	10.0%	0.02%	4.82%	17.91%	N/A	N/A
Lehman US Credit BAA				3.41%	0.97%				1.22%				0.27%	4.96%	18.33%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	1,996,250	49.2%	50.0%	3.05%	0.89%	1,937,217	49.2%	50.0%	1.15%	1,914,892	51.2%	50.0%	-0.21%	3.99%	13.18%	10.80%	7.81%
Lehman Gov/Credit				3.08%	0.92%				-0.03%				-0.50%	2.54%	13.14%	10.82%	7.83%
CASH EQUIVALENTS																	
<i>Bank of ND</i>																	
90 Day T-Bill	400,415	9.9%	10.0%	0.29%	0.10%	370,039	9.4%	10.0%	0.29%	364,833	9.8%	10.0%	0.30%	0.88%	1.57%	3.26%	4.15%
				0.24%	0.08%				0.26%				0.25%	0.74%	1.52%	3.33%	4.08%
TOTAL BONDING FUND	4,056,365	100.0%	100.0%	2.96%	0.36%	3,940,911	100.0%	100.0%	5.37%	3,739,560	100.0%	100.0%	1.97%	10.63%	7.52%	1.61%	4.90%
POLICY TARGET BENCHMARK				2.80%	0.36%				4.65%				1.59%	9.29%	7.25%	2.20%	4.57%

NOTE: Monthly returns and market values are preliminary and subject to change.